

Letter 11 Continued

PREPARED BY KEN THOMPSON

11/18/03

community members and leaders could add even more exceptional business partners to this list

Table 2. Umatilla County For-Profit Companies				
Company	Value	Asset Value	2000 Property Taxes	Number of Employees
Vansycle Ridge Project	\$38,000,000	\$24,800,000	\$241,584.59	4-5
Pendleton Wal-Mart Superstore	\$5,337,730	\$4,003,050	\$80,370.84	300
Pendleton Flour Mill	\$7,833,980	\$7,792,420	\$99,385.32	81
Fleetwood	\$6,097,630	\$5,959,760	\$113,699.86	380
Keystone RV Co.		Enterprise Zone Exemption		250
Lippert Components Mfg.	\$1,469,950	\$1,362,270	\$3,860.45 Enterprise Zone Exemption	43
Continental Mills	\$5,677,160	\$5,677,160	\$106,284.95	62
Rocky Mt. Colby Pipe	\$2,511,530	\$2,507,950	\$47,056.43	21
P.G.G.	\$20,750,640	\$18,885,120	\$305,885.13	155
Hermiston Wal-Mart Superstore	\$6,773,190	\$4,528,470	\$66,249.47	356
Wal-Mart Distribution Center	\$35,383,690	\$30,587,760	\$35,365.53 Enterprise Zone Exemption	1000
J.R. Simplot	\$63,064,790	\$58,544,250	\$852,758.76	800
Lamb Weston	\$53,078,840	\$53,011,850	\$757,433.72	500
Union Pacific, Hinkle		Enterprise Zone Exemption		435
Sykes Enterprises	\$6,658,780	\$4,569,540	\$82,558.60	400

I was not surprised, as Table 2 reveals, at the significant difference in employment numbers when comparing the high valued Vansycle Project with other business within Umatilla County. However, Table 2 did bring into focus the fact that the Vansycle Wind Project and the new Stateline Wind Project are the only extremely high-valued heavy industries that lie within a Umatilla County Exclusive Farm Use (EFU) zone. The EFU conditional use permit allows FPL to escape the Umatilla County cities' property taxes that most of the County's heavy industrial businesses are assessed because they are sited within city limits.

Responses to Letter 11

11-9 The issue of construction and operational employment of the facility was discussed in the Draft EIS in Section 3.10.2.

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WATER USAGE VOLUME

- 11-10 [David Fife told me this evening that the Wanapa Energy Center would use about 5,000 GPM of water from the Port of Umatilla and Hermiston water project. I would not be surprised if that amount of water would put the water project at or very near its' capacity. That leaves no water for a non-polluting industry of the future or even any expansion of the present agriculture industry.

AIR QUALITY IMPACT

- 11-11 [This is a major concern. Here in the county the political bodies have taken a great interest in our air shed. Agricultural burning has a permit and control process, which was created and implemented through County Commissioners' initiative. The city of Pendleton has an Air Quality Committee, which has dramatically improved the city's air quality. Now here comes an energy plant that would produce the same amount CO2 as 300,000 automobiles as well as toxic heavy metals, nitrous oxide, and sulfur dioxide emissions. I would conclude that all our hard work to significantly improve our County's air quality was just shot in the head when Wanapa Energy Center comes online. The opportunity to add new industries that would add greater community value will be radically reduced because of the reduction in the air shed quality by siting the Wanapa Energy Center.

BPA LINE AND SUB-STATION CAPACITY

- 11-12 [What impact will the facility have on the present and future use of the BPA system for further wind energy production within Umatilla County? A critical component of the wind energy industry within the region is the under utilization of the present and near future BPA system. Does the siting of this facility in any way undermine that significant wind energy component?

POWER USAGE

- 11-13 [Where will the energy be utilized, within Umatilla County or exported? If utilized within the county, what is the amount and at what cost?

ANNUAL REPORTING

- 11-14 [Is an annual report required? If so, what are the components required and will it be made available to the public?

FINANCIAL ASSURANCE

- 11-15 [What are the bonding requirements to restore the site to a useful, non-hazardous condition if the partners either begin but do not complete construction of the facility or permanently close the facility before establishing the financial mechanism or instrument for decommissioning?

DECOMMISSIONING BONDS

- 11-16 [What are the funding requirements for decommissioning?

Responses to Letter 11

- 11-10 See response to Comment 6-3.

- 11-11 See response to Comment 10-28.

- 11-12 From an interconnection standpoint (transmission from Wanapa to McNary), the project presents no impact on present and future Wind development in the Umatilla area. The upgrades in the McNary substation are considered a system upgrade. From a transmission standpoint (proposed new John Day-McNary substation), the McNary area is already constrained, and Wanapa would require new transmission to move forward. As such, this may benefit Wind and other generation in the area as the project could be a major participant in funding of this transmission.

- 11-13 Unlike the other power plants in the region, which export all of their energy, the public partners in the Wanapa Energy Center Project (i.e., City of Hermiston, the Port of Umatilla, and the Tribes) intend to use electricity from the energy center to promote and attract economic development to the area. The current plan is for the three local participants to reserve up to approximately 12 percent of the electricity for local usage for either direct service industries or to the local utilities.

- 11-14 The Wanapa Energy Center would be a private entity, and as such, no annual financial report would be expected to be issued to the public.

- 11-15 The land lease agreement would include provisions between the tribe the project owners for adequate bonds and financial guarantees to ensure the proper decommissioning and land restoration. This land lease agreement would be subject to the BIA approval and acceptance.

- 11-16 See response to Comment 11-15.

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TRIBES CONTINUED SUPPORT OF SNAKE AND COLUMBIA RIVER DAM REMOVAL

11-17

I personally find substantial dichotomy in this project on Umatilla Tribal property. How can the Tribe speak out against the Snake and Columbia Rivers' dams and the use of water from both rivers for agricultural irrigation, but be very willing to use 5,000 GPM of the same river water at a energy production facility that will have a dramatically negative impact upon the regions air shed without significant community contributions in either citizens or property taxes?

SUMMARY

I am very interested in being added to any notification list for further public hearings, as well as receiving any public documents produced concerning the project's siting. From what I have written it is obvious that I have some very opinionated concerns about the siting of the Wanapa Energy Center. I feel from what little detailed information I could glean at the information meeting tonight that there are a number of very negative issues associated with the project's siting at this time. I would hope during your EIS that a number of those concerns can be mitigated or resolved to benefit all Umatilla County community members, not just the project partners.

Responses to Letter 11

11-17 The project is expected to help meet growing needs for electricity in the region and not replace existing hydropower. Hydropower supplies in the region are not adequate to meet all demands. In addition, hydropower's lower cost insures that wholesale electricity users purchase hydropower before purchasing from other sources. Also, the development of other sources of electricity diversifies the region's sources and reduces the risks inherent in relying on hydropower alone for the region's growing economy.

CTUIR's support of the project and opposition to dams is a consistent policy. The Wanapa project as well as other similar gas fired plants would reduce dependency on the additional hydropower, which would have a positive effect on the Fall Chinook, Spring Chinook and Steelhead. The impact of the dams on Fall Chinook, Spring Chinook and Steelhead is well documented. The proposed water withdrawal for the project would have an immeasurable impact on fish compared to the hydropower system.

CTUIR is opposed to new permits from the Columbia River that does not involve water mitigation measures. In the case of Wanapa, the Port of Umatilla already retains the water right and the project would be one of several customers of the Regional Water System using water for industrial purposes. State of Oregon specifically authorizes municipalities to reserve sufficient water under a permit that the municipality would need for future development. As such, to argue that CTUIR should not rely on water from the Regional Water System would seem to suggest that others who are using water under the same existing permits, including other power plants in the area and irrigation interests, also should not be allowed to do so.